

| | | | | | | | |
|--|---------|--|---------|---|---------|---|---------|
| AWARD/CONTRACT | | 1. This Contract Is A Rated Order Under DPAS (15 CFR 700) | | Rating DOA5 | | Page 1 Of 17 | |
| 2. Contract (Proc. Inst. Ident) No. W52H09-04-C-0088 | | 3. Effective Date 2004MAR26 | | 4. Requisition/Purchase Request/Project No. SEE SCHEDULE | | | |
| 5. Issued By TACOM-ROCK ISLAND AMSTA-LC-CFA-C KATHY A WARNER (309)782-3148 ROCK ISLAND IL 61299-7630 e-mail address: WARNERK@RIA.ARMY.MIL | | Code W52H09 | | 6. Administered By (If Other Than Item 5) DCMA TWIN CITIES BISHOP HENRY WHIPPLE FEDERAL BLDG 1 FEDERAL DRIVE, ROOM 1150 FORT SNELLING MN 55111-4007 SCD C PAS NONE ADP PT HQ0339 | | Code S2401A | |
| 7. Name And Address Of Contractor (No. Street, City, County, State, And Zip Code) ALLIANT TECHSYSTEMS INC 4700 NATHAN LANE PLYMOUTH, MN. 55442-2512 TYPE BUSINESS: Large Business Performing in U.S. | | | | 8. Delivery <input type="checkbox"/> FOB Origin <input checked="" type="checkbox"/> Other (See Below) SEE SCHEDULE | | | |
| 9. Discount For Prompt Payment | | | | 10. Submit Invoices (4 Copies Unless Otherwise Specified) To The Address Shown In: Item 12 | | | |
| Code 1PYT8 | | Facility Code | | 12. Payment Will Be Made By DFAS COLUMBUS CENTER DFAS-CO/WEST ENTITLEMENT OPERATIONS PO BOX 182381 COLUMBUS OH 43218-2381 Code HQ0339 | | | |
| 11. Ship To/Mark For SEE SCHEDULE | | Code | | 13. Authority For Using Other Than Full And Open Competition: <input checked="" type="checkbox"/> 10 U.S.C. 2304(c)(1) <input type="checkbox"/> 41 U.S.C. 253(c)() | | | |
| 15A. Item No. SEE SCHEDULE | | 15B. Schedule Of Supplies/Services CONTRACT TYPE: Firm-Fixed-Price | | 15C. Quantity | | 15D. Unit | |
| 15E. Unit Price | | 15F. Amount | | 14. Accounting And Appropriation Data ACRN: AA 97 X4930AC9G 6D 26KB S11116 W52H09 | | | |
| 15G. Total Amount Of Contract \$5,800,000.00 | | | | | | | |
| 16. Table Of Contents | | | | | | | |
| (X) | Section | Description | Page(s) | (X) | Section | Description | Page(s) |
| Part I - The Schedule | | | | Part II - Contract Clauses | | | |
| X | A | Solicitation/Contract Form | 1 | X | I | Contract Clauses | 8 |
| X | B | Supplies or Services and Prices/Costs | 3 | Part III - List Of Documents, Exhibits, And Other Attachments | | | |
| | C | Description/Specs./Work Statement | | | J | List of Attachments | |
| | D | Packaging and Marking | | Part IV - Representations And Instructions | | | |
| | E | Inspection and Acceptance | | | K | Representations, Certifications, and Other Statements of Offerors | |
| | F | Deliveries or Performance | | | L | Instrs., Conds., and Notices to Offerors | |
| X | G | Contract Administration Data | 7 | | M | Evaluation Factors for Award | |
| | H | Special Contract Requirements | | | | | |
| Contracting Officer Will Complete Item 17 Or 18 As Applicable | | | | | | | |
| 17. <input checked="" type="checkbox"/> Contractor's Negotiated Agreement (Contractor is required to sign this document and return 2 signed copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.) | | | | 18. <input type="checkbox"/> Award (Contractor is not required to sign this document.) Your offer on Solicitation Number _____ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary. | | | |
| 19A. Name And Title Of Signer (Type Or Print) | | | | 20A. Name Of Contracting Officer VICKI AHLGRIM AHLGRIMV@RIA.ARMY.MIL (309)782-3220 | | | |
| 19B. Name of Contractor By _____ (Signature of person authorized to sign) | | 19c. Date Signed | | 20B. United States Of America By _____ /SIGNED/ (Signature of Contracting Officer) | | 20C. Date Signed 2004MAR26 | |
| NSN 7540-01-152-8069 PREVIOUS EDITIONS UNUSABLE | | | | 25-106 GPO : 1985 0 - 478-632 Standard Form 26 (Rev. 4-85) Prescribed By GSA-FAR (4.8 CFR) 53.214(a) | | | |

| | | |
|---------------------------|--|----------------------------|
| CONTINUATION SHEET | Reference No. of Document Being Continued PIIN/SIIN W52H09-04-C-0088 MOD/AMD | Page 2 of 17 |
|---------------------------|--|----------------------------|

Name of Offeror or Contractor: ALLIANT TECHSYSTEMS INC

SECTION A - SUPPLEMENTAL INFORMATION

1. IN ACCORDANCE WITH DFARS 217.74, THIS CONTRACT IS AWARDED AS AN UNDEFINITIZED CONTRACTUAL ACTION (UCA) AT A TOTAL NOT-TO-EXCEED PRICE OF \$5,800,000.00. THE NOT-TO-EXCEED CEILING PRICE IS SUBJECT TO DOWNWARD NEGOTIATIONS ONLY. THE DEFINITIZATION SCHEDULE FOR THIS CONTRACT IS AS FOLLOWS:

SCHEDULE

| | |
|---|-----------|
| RECEIPT OF QUALIFYING PROPOSAL | 23MAR2004 |
| PROJECTED AWARD DATE OF UCA | 26MAR2004 |
| PROJECTED DATE FOR COMPLETION OF AUDIT | 06MAY2004 |
| PROJECTED DATE TO BEGIN ALPHA EFFORT | 13MAY2004 |
| PROJECTED COMPLETION DATE OF ALPHA EFFORT | 14JUN2004 |
| ESTIMATED DATE OF CONTRACT DEFINITIZATION | 12JUL2004 |

2. IN ACCORDANCE WITH FAR 52.216-23, EXECUTION AND COMMENCEMENT OF WORK, ALLIANT IS AUTHORIZED TO BEGIN IMMEDIATELY THE PRODUCTION OF THE BELOW ITEMS:

| NOUN | NSN | PN | QTY |
|-----------------------|------------------|------------|-----|
| MODEM, COMMUNICATION | 5895-01-356-0205 | 12561737 | 150 |
| DISPLAY UNIT W-CONTA | 7025-01-411-1801 | 12927707-2 | 57 |
| CONTROL, POWE W-CONTA | 6130-01-412-3678 | 12927707-4 | 54 |
| PANEL, CONTROL, ELECT | 1290-01-361-1350 | 12561697 | 10 |

3. ALLIANT TECHSYSTEMS PROPOSAL, DATED 17 MARCH 2004, HAS BEEN RECEIVED. IN ACCORDANCE WITH FAR 52.216-4, LIMITATION OF GOVERNMENT LIABILITY, THE CONTRACTOR IS NOT AUTHORIZED TO MAKE EXPENDITURES OR INCUR COSTS EXCEEDING THE AMOUNTS SHOWN FOLLOWING, BY CLIN (AT 75% OF THE NOT-TO-EXCEED PRICE).

| | |
|--------------|----------------|
| CLIN 0007AA | \$ 826,500.00 |
| CLIN 0008AA | \$1,975,770.00 |
| CLIN 0009AA | \$1,486,830.00 |
| CLIN 00010AA | \$ 60,900.00 |

THE MAXIMUM AMOUNT, BY CLIN, THAT THE GOVERNMENT SHALL BE LIABLE FOR IF THIS CONTRACT IS TERMINATED IS:

| | |
|--------------|----------------|
| CLIN 0007AA | \$ 826,500.00 |
| CLIN 0008AA | \$1,975,770.00 |
| CLIN 0009AA | \$1,486,830.00 |
| CLIN 00010AA | \$ 60,900.00 |

4. SHIPMENT WILL BE FOB ORIGIN.

5. EARLIER DELIVERY IS ACCEPTABLE IF AT NO COST TO THE GOVERNMENT.

6. SOLICITATION DAAE20-02-R-0230 AND ALL AMENDMENTS ARE INCORPORATED INTO THE CONTRACT ALONG WITH THE FOLLOWING ADDITIONAL CLAUSES:

52.232-16, PROGRESS PAYMENTS
52.245-2, GOVERNMENT PROPERTY (FIXED PRICE CONTRACTS)(DEVIATION)
52.245-17, SPECIAL TOOLING
52.245-18, SPECIAL TEST EQUIPMENT (BY REFERENCE)
52.216-23, EXECUTION AND COMMENCEMENT OF WORK
52.216-24, LIMITATION OF GOVERNMENT LIABILITY
52.216-25, CONTRACT DEFINITIZATION
252.217-7027, CONTRACT DEFINITIZATION
252.242-7004, MATERIAL MANAGEMENT AND ACCOUNTING SYSTEM (BY REFERENCE)
252.245-7001, REPORTS OF GOVERNMENT PROPERTY (BY REFERENCE)

7. ALLIANT TECHSYSTEMS' SMALL AND SMALL DISADVANTAGED BUSINESS SUBCONTRACTING PLAN HAS BEEN APPROVED AND IS INCORPORATED INTO THE CONTRACT.

8. THE LISTING OF GOVERNMENT-OWNED PROPERTY REQUESTED FOR USE BY ALLIANT TECHSYSTEMS IN ITS PROPOSAL DATED 17 MARCH 2004 IS APPROVED FOR USE AND IS INCORPORATED IN THE CONTRACT, WITH LISTING AT THE ATTACHED CONTINUATION PAGES.

*** END OF NARRATIVE A 004 ***

| | | |
|--------------------|---|--------------|
| CONTINUATION SHEET | Reference No. of Document Being Continued PIIN/SIIN W52H09-04-C-0088 MOD/AMD | Page 3 of 17 |
|--------------------|---|--------------|

Name of Offeror or Contractor: ALLIANT TECHSYSTEMS INC

| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|---------|---|----------|------|------------------|-----------------|
| 0006 | <p>SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS</p> <p><u>DATA ITEM</u></p> <p>NOUN: DD FORM 1423 (CDRL) SECURITY CLASS: Unclassified</p> <p>CONTRACTOR WILL PREPARE AND DELIVERY THE TECHNICAL DATA IN ACCORDANCE WITH THE REQUIREMENTS, QUANTITIES AND SCHEDULES SET FORTH IN THE CONTRACT DATA REQUIREMENTS LISTS (DD FORM 1423), EXHIBIT A.</p> <p>DD 250 IS NOT REQUIRED.</p> <p>(End of narrative B001)</p> <p><u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin</p> | | | \$ ** NSP ** | \$ ** NSP ** |
| 0007 | <p>NSN: 5895-01-356-0205 FSCM: 19200 PART NR: 12561737 SECURITY CLASS: Unclassified</p> | | | | |
| 0007AA | <p><u>PRODUCTION QUANTITY WITHOUT FIRST ARTICLE/OV</u></p> <p>NOUN: MODEM, COMMUNICATION PRON: M141F348M1 PRON AMD: 02 ACRN: AA AMS CD: 060011KFKW6</p> <p><u>Packaging and Marking</u></p> <p><u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin</p> <p><u>Deliveries or Performance</u> DOC SUPPL REL CD MILSTRIP ADDR SIG CD MARK FOR TP CD 001 W52H094063A051 W25G1U J 1 DEL REL CD QUANTITY DEL DATE 001 15 29-JAN-2005 002 20 26-FEB-2005 003 20 31-MAR-2005 004 20 29-APR-2005</p> | 150 | EA | \$ UNDEFINITIZED | \$ 1,102,000.00 |

| | | |
|--------------------|---|--------------|
| CONTINUATION SHEET | Reference No. of Document Being Continued PIIN/SIIN W52H09-04-C-0088 MOD/AMD | Page 4 of 17 |
|--------------------|---|--------------|

Name of Offeror or Contractor: ALLIANT TECHSYSTEMS INC

| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|---------|---|----------|------|------------------|-----------------|
| | <div>0052031-MAY-2005</div> <div>0062030-JUN-2005</div> <div>0072031-JUL-2005</div> <div>0081531-AUG-2005</div> <div>FOB POINT: Origin</div> <div>SHIP TO: <u>PARCEL POST ADDRESS</u> (W25G1U) XU TRANSPORTATION OFFICER DDSP NEW CUMBERLAND FACILITY BUILDING MISSION DOOR 113 134 NEW CUMBERLAND PA 17070-5001</div> | | | | |
| 0008 | NSN: 7025-01-411-1801 FSCM: 19200 PART NR: 12927707-5 SECURITY CLASS: Unclassified | | | | |
| 0008AA | <div><u>PRODUCTION QUANTITY WITHOUT FIRST ARTICLE/OV</u></div> <div> NOUN: DISPLAY UNIT W-CONT PRON: M141F349M1 PRON AMD: 02 ACRN: AA AMS CD: 060011KFKW6 </div> <div><u>Packaging and Marking</u></div> <div><u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin</div> <div><u>Deliveries or Performance</u></div> <div> DOC SUPPL <u>REL CD MILSTRIP ADDR SIG CD MARK FOR TP CD</u> 001 W52H094063A052 W25G1U J 1 <u>DEL REL CD QUANTITY DEL DATE</u> 001 4 31-JAN-2005 002 8 26-FEB-2005 003 8 31-MAR-2005 004 8 29-APR-2005 005 8 31-MAY-2005 006 8 30-JUN-2005 007 8 29-JUL-2005 </div> | 57 | EA | \$ UNDEFINITIZED | \$ 2,634,360.00 |

Name of Offeror or Contractor: ALLIANT TECHSYSTEMS INC

| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|---------|--|----------|------|------------------|-----------------|
| | 008 5 31-AUG-2005 FOB POINT: Origin SHIP TO: <u>PARCEL POST ADDRESS</u> (W25G1U) XU TRANSPORTATION OFFICER DDSP NEW CUMBERLAND FACILITY BUILDING MISSION DOOR 113 134 NEW CUMBERLAND PA 17070-5001 | | | | |
| 0009 | NSN: 6130-01-412-3678 FSCM: 19200 PART NR: 12927707-4 SECURITY CLASS: Unclassified | | | | |
| 0009AA | <u>PRODUCTION QUANTITY WITHOUT FIRST ARTICLE/QV</u> NOUN: CONTROL,POWE W-CONT PRON: M141F350M1 PRON AMD: 02 ACRN: AA AMS CD: 060011KFKW6 <u>Packaging and Marking</u> <u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin <u>Deliveries or Performance</u> DOC SUPPL <u>REL CD</u> <u>MILSTRIP</u> <u>ADDR</u> <u>SIG CD</u> <u>MARK FOR</u> <u>TP_CD</u> 001 W52H094063A053 W25G1U J 1 <u>DEL REL CD</u> <u>QUANTITY</u> <u>DEL DATE</u> 001 3 29-JAN-2005 002 7 26-FEB-2005 003 7 31-MAR-2005 004 7 29-APR-2005 005 8 31-MAY-2005 006 8 30-JUN-2005 007 8 29-JUL-2005 008 6 31-AUG-2005 FOB POINT: Origin SHIP TO: <u>PARCEL POST ADDRESS</u> (W25G1U) XU TRANSPORTATION OFFICER | 54 | EA | \$ UNDEFINITIZED | \$ 1,982,440.00 |

| | | |
|--------------------|---|--------------|
| CONTINUATION SHEET | Reference No. of Document Being Continued PIIN/SIIN W52H09-04-C-0088 MOD/AMD | Page 6 of 17 |
|--------------------|---|--------------|

Name of Offeror or Contractor: ALLIANT TECHSYSTEMS INC

| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|---------|--|----------|------|------------------|--------------|
| 0010 | DDSP NEW CUMBERLAND FACILITY BUILDING MISSION DOOR 113 134 NEW CUMBERLAND PA 17070-5001 NSN: 1290-01-361-1350 FSCM: 19200 PART NR: 12561697 SECURITY CLASS: Unclassified | | | | |
| 0010AA | <u>PRODUCTION QUANTITY WITHOUT FIRST ARTICLE/OV</u> NOUN: PANEL,CONTROL,ELECT PRON: M141F351M1 PRON AMD: 02 ACRN: AA AMS CD: 060011KFKW6 <u>Packaging and Marking</u> <u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin <u>Deliveries or Performance</u> DOC SUPPL <u>REL CD MILSTRIP ADDR SIG CD MARK FOR TP CD</u> 001 W52H094063A054 W25G1U J 1 <u>DEL REL CD QUANTITY DEL DATE</u> 001 2 29-APR-2005 002 2 31-MAY-2005 003 2 30-JUN-2005 004 2 29-JUL-2005 005 2 31-AUG-2005 FOB POINT: Origin SHIP TO: <u>PARCEL POST ADDRESS</u> (W25G1U) XU TRANSPORTATION OFFICER DDSP NEW CUMBERLAND FACILITY BUILDING MISSION DOOR 113 134 NEW CUMBERLAND PA 17070-5001 | 10 | EA | \$ UNDEFINITIZED | \$ 81,200.00 |

| | | |
|---|--|----------------------------|
| CONTINUATION SHEET | Reference No. of Document Being Continued PIIN/SIIN W52H09-04-C-0088 MOD/AMD | Page 8 of 17 |
| Name of Offeror or Contractor: ALLIANT TECHSYSTEMS INC | | |

SECTION I - CONTRACT CLAUSES

| | <u>Regulatory Cite</u> | <u>Title</u> | <u>Date</u> |
|-----|------------------------|---|-------------|
| I-1 | 52.245-18 | SPECIAL TEST EQUIPMENT | JUN/2003 |
| I-2 | 252.242-7004 DFARS | MATERIAL MANAGEMENT AND ACCOUNTING SYSTEM | DEC/2000 |
| I-3 | 252.245-7001 DFARS | REPORTS OF GOVERNMENT PROPERTY | MAY/1994 |
| I-4 | 52.216-23 | EXECUTION AND COMMENCEMENT OF WORK | APR/1984 |

The Contractor shall indicate acceptance of this letter contract by signing three copies of the contract and returning them to the Contracting Officer not later than 31 Mar 2004. Upon acceptance by both parties, the Contractor shall proceed with performance of the work, including purchase of necessary materials.

(End of clause)

(IF6055)

| | | | |
|-----|-----------|------------------------------------|----------|
| I-5 | 52.216-24 | LIMITATION OF GOVERNMENT LIABILITY | APR/1984 |
|-----|-----------|------------------------------------|----------|

(a) In performing this contract, the Contractor is not authorized to make expenditures or incur obligations exceeding, by CLIN:

CLIN 0007AA \$ 826,500
CLIN 0008AA \$1,975,770
CLIN 0009AA \$1,486,830
CLIN 0010AA \$ 60,900

(b) The maximum amount for which the Government shall be liable if this contract is terminated is, by CLIN:

CLIN 0007AA \$ 826,500
CLIN 0008AA \$1,975,770
CLIN 0009AA \$1,486,830
CLIN 0010AA \$ 60,900

(End of clause)

(IF6056)

| | | | |
|-----|-----------|-------------------------|----------|
| I-6 | 52.216-25 | CONTRACT DEFINITIZATION | OCT/1997 |
|-----|-----------|-------------------------|----------|

(a) A FIRM FIXED PRICE definitive contract is contemplated. The Contractor agrees to begin promptly negotiating with the Contracting Officer the terms of a definitive contract that will include

(1) all clauses required by the Federal Acquisition Regulation (FAR) on the date of execution of the undefinitized contract action (UCA),

(2) all clauses required by law on the date of execution of the definitive contract, and

(3) any other mutually agreeable clauses, terms, and conditions. The Contractor agrees to submit a FIRM FIXED PRICE proposal and cost or pricing data supporting its proposal.

(b) The schedule for definitizing this contract is:

23MAR2004 - RECEIPT OF QUALIFYING PROPOSAL
26MAR2004 - PROJECTED AWARD DATE OF UCA
06MAY2004 - PROJECTED DATE FOR COMPLETION OF AUDIT
13MAY2004 - PROJECTED DATE TO BEGIN ALPHA EFFORT
14JUN2004 - PROJECTED COMPLETION DATE OF ALPHA EFFORT
12JUL2004 - ESTIMATED DATE OF CONTRACT DEFINITIZATION

(c) If agreement on a definitive contract to supersede this UCA is not reached by the target date in paragraph (b) of this section, or within any extension of it granted by the Contracting Officer, the Contracting Officer may, with the approval of the head of the

| | | |
|---------------------------|--|----------------------------|
| CONTINUATION SHEET | Reference No. of Document Being Continued PIIN/SIIN W52H09-04-C-0088 MOD/AMD | Page 9 of 17 |
|---------------------------|--|----------------------------|

Name of Offeror or Contractor: ALLIANT TECHSYSTEMS INC

contracting activity, determine a reasonable price or fee in accordance with Subpart 15.4 and Part 31 of the FAR, subject to Contractor appeal as provided in the Disputes clause. In any event, the Contractor shall proceed with completion of the contract, subject only to the Limitation of Government Liability clause.

- (1) After the Contracting Officer's determination of price or fee, the contract shall be governed by -
 - (i) All clauses required by the FAR on the date of execution of this letter contract for either fixed-price or cost-reimbursement contracts, as determined by the Contracting Officer under this paragraph (c);
 - (ii) All clauses required by the law as of the date of the Contracting Officer's determination; and
 - (iii) Any other clauses, terms, and conditions mutually agreed upon.
- (2) To the extent consistent with subparagraph (c)(1) of this section, all clauses, terms, and conditions included in this letter contract shall continue in effect, except those that by their nature apply only to a letter contract.

(End of clause)

(IF6062)

I-7 52.232-16 PROGRESS PAYMENTS APR/2003

The Government will make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly in amount of \$2500 or more approved by the Contracting Officer, under the following conditions:

- (a) Computation of amounts.
 - (1) Unless the Contractor requests a smaller amount, the Government will compute each progress payment as 80 percent of the Contractor's total costs incurred under this contract whether or not actually paid, plus financing payments to subcontractors (see paragraph (j) of this clause), less the sum of all previous progress payments made by the Government under this contract. The Contracting Officer will consider cost of money that would be allowable under FAR 31.205-10 as an incurred cost for progress payment purposes.
 - (2) The amount of financing and other payments for supplies and services purchased directly for the contract are limited to the amounts that have been paid by cash, check, or other forms of payment, or that are determined due and will be paid to subcontractors -
 - (i) In accordance with the terms and conditions of a subcontract of invoice; and
 - (ii) Ordinarily within 30 days of the submission of the Contractor's next payment request to the Government.
 - (3) The Government will exclude accrued costs of Contractor contributions under employee pension plans until actually paid unless -
 - (i) The Contractor's practice is to make contributions to the retirement fund quarterly or more frequently; and
 - (ii) The contribution does not remain unpaid 30 days after the end of the applicable quarter or shorter payment period (any contribution remaining unpaid shall be excluded from the Contractor's total costs for progress payments until paid).
 - (4) The Contractor shall not include the following in total costs for progress payment purposes in paragraph (a)(1) of this clause:
 - (i) Costs that are not reasonable, allocable to this contract, and consistent with sound and generally accepted accounting principles and practices.
 - (ii) Costs incurred by subcontractors or suppliers.
 - (iii) Costs ordinarily capitalized and subject to depreciation or amortization except for the properly depreciated or amortized portion of such costs.
 - (iv) Payments made or amounts payable to subcontractors or suppliers, except for--
 - (A) Completed work, including partial deliveries, to which the Contractor has acquired title; and
 - (B) Work under cost-reimbursement or time-and-material subcontracts to which the Contractor has acquired title.

| | | |
|---|--|----------------------|
| CONTINUATION SHEET | Reference No. of Document Being Continued PIIN/SIIN W52H09-04-C-0088 MOD/AMD | Page 10 of 17 |
| Name of Offeror or Contractor: ALLIANT TECHSYSTEMS INC | | |

(5) The amount of unliquidated progress payments may exceed neither (i) the progress payments made against incomplete work (including allowable unliquidated progress payments to subcontractors) nor (ii) the value, for progress payment purposes, of the incomplete work. Incomplete work shall be considered to be the supplies and services required by this contract, for which delivery and invoicing by the Contractor and acceptance by the Government are incomplete.

(6) The total amount of progress payments shall not exceed eighty percent (80%) of the total contract price.

(7) If a progress payment or the unliquidated progress payment exceed the amounts permitted by subparagraphs (a)(4) or (a)(5) above, the Contractor shall repay the amount of such excess to the Government on demand.

(8) Notwithstanding any other terms of the contract, the Contractor agrees not to request progress payments in dollar amounts of less than \$2500. The Contracting Officer may make exceptions.

(b) Liquidation. Except as provided in the Termination for Convenience of the Government clause, all progress payments shall be liquidated by deducting from any payment under this contract, other than advance or progress payments, the unliquidated progress payments, or eighty percent (80%) of the amount invoiced, whichever is less. The Contractor shall repay to the Government any amounts required by a retroactive price reduction, after computing liquidations and payments on past invoices at the reduced prices and adjusting the unliquidated progress payments accordingly. The Government reserves the right to unilaterally change from the ordinary liquidation rate to an alternate rate when deemed appropriate for proper contract financing.

(c) Reduction or suspension. The Contracting Officer may reduce or suspend progress payments, increase the rate of liquidation, or take a combination of these actions, after finding on substantial evidence any of the following conditions:

- (1) The Contractor failed to comply with any material requirement of this contract (which includes paragraphs (f) and (g) below).
- (2) Performance of this contract is endangered by the Contractor's (i) failure to make progress or (ii) unsatisfactory financial condition.
- (3) Inventory allocated to this contract substantially exceeds reasonable requirements.
- (4) The Contractor is delinquent in payment of the costs of performing this contract in the ordinary course of business.
- (5) The unliquidated progress payments exceed the fair value of the work accomplished on the undelivered portion of this contract.
- (6) The Contractor is realizing less profit than that reflected in the establishment of any alternate liquidation rate in paragraph (b) above, and that rate is less than the progress payment rate stated in subparagraph (a)(1) above.

(d) Title.

(1) Title to the property described in this paragraph (d) shall vest in the Government. Vestiture shall be immediately upon the date of this contract, for property acquired or produced before that date. Otherwise, vestiture shall occur when the property is or should have been allocable or properly chargeable to this contract.

(2) "Property," as used in this clause, includes all of the below-described items acquired or produced by the Contractor that are or should be allocable or properly chargeable to this contract under sound and generally accepted accounting principles and practices.

- (i) Parts, materials, inventories, and work in process;
- (ii) Special tooling and special test equipment to which the Government is to acquire title under any other clause of this contract;
- (iii) Nondurable (i.e., noncapital) tools, jigs, dies, fixtures, molds, patterns, taps, gauges, test equipment, and other similar manufacturing aids, title to which would not be obtained as special tooling under subparagraph (ii) above; and
- (iv) Drawings and technical data, to the extent the Contractor or subcontractors are required to deliver them to the Government by other clauses of this contract.

(3) Although title to property is in the Government under this clause, other applicable clauses of this contract, e.g., the termination or special tooling clauses, shall determine the handling and disposition of the property.

(4) The Contractor may sell any scrap resulting from production under this contract without requesting the Contracting Officer's approval, but the proceeds shall be credited against the costs of performance.

(5) To acquire for its own use or dispose of property to which title is vested in the Government under this clause, the Contractor

| | | |
|--|--|---|
| <p style="text-align: center;">CONTINUATION SHEET</p> | <p style="text-align: center;">Reference No. of Document Being Continued</p> <p style="text-align: center;">PIIN/SIIN W52H09-04-C-0088 MOD/AMD</p> | <p style="text-align: center;">Page 11 of 17</p> |
|--|--|---|

Name of Offeror or Contractor: ALLIANT TECHSYSTEMS INC

must obtain the Contracting Officer's advance approval of the action and the terms. The Contractor shall (i) exclude the allocable cost of the property from the costs of contract performance, and (ii) repay to the Government any amount of unliquidated progress payments allocable to the property. Repayment may be by cash or credit memorandum.

(6) When the Contractor completes all of the obligations under this contract, including liquidation of all progress payments, title shall vest in the Contractor for all property (or the proceeds thereof) not--

- (i) Delivered to, and accepted by, the Government under this contract; or
- (ii) Incorporated in supplies delivered to, and accepted by, the Government under this contract and to which title is vested in the Government under this clause.

(7) The terms of this contract concerning liability for Government-furnished property shall not apply to property to which the Government acquired title solely under this clause.

(e) Risk of loss. Before delivery to and acceptance by the Government, the Contractor shall bear the risk of loss for property, the title to which vests in the Government under this clause, except to the extent the Government expressly assumes the risk. The Contractor shall repay the Government an amount equal to the unliquidated progress payments that are based on costs allocable to property that is damaged, lost, stolen, or destroyed.

(f) Control of costs and property. The Contractor shall maintain an accounting system and controls adequate for the proper administration of this clause.

(g) Reports and access to records. The Contractor shall promptly furnish reports, certificates, financial statements, and other pertinent information reasonably requested by the Contracting Officer for the administration of this clause. Also, the Contractor shall give the Government reasonable opportunity to examine and verify the Contractor's books, records, and accounts.

(h) Special terms regarding default. If this contract is terminated under the Default clause, (i) the Contractor shall, on demand, repay to the Government the amount of unliquidated progress payments and (ii) title shall vest in the Contractor, on full liquidation of progress payments, for all property for which the Government elects not to require delivery under the Default clause. The Government shall be liable for no payment except as provided by the Default clause.

(i) Reservations of rights.

(1) No payment or vesting of title under this clause shall (i) excuse the Contractor from performance of obligations under this contract or (ii) constitute a waiver of any of the rights or remedies of the parties under the contract.

(2) The Government's rights and remedies under this clause (i) shall not be exclusive but rather shall be in addition to any other rights and remedies provided by law or this contract and (ii) shall not be affected by delayed, partial, or omitted exercise of any right, remedy, power, or privilege, nor shall such exercise or any single exercise preclude or impair any further exercise under this clause or the exercise of any other right, power, or privilege of the Government.

(j) Financing payments to subcontractors. The financing payments to subcontractors mentioned in paragraphs (a)(1) and (a)(2) of this clause shall be all financing payments to subcontractors or division, if the following conditions are met:

- (1) The amounts included are limited to -
 - (i) The unliquidated remainder of financing payments made; plus
 - (ii) any unpaid subcontractor requests for financing payments.
- (2) The subcontract or interdivisional order is expected to involve a minimum of approximately 6 months between the beginning of work and the first delivery, or, if the subcontractor is a small business concern, 4 months.
- (3) If the financing payments are in the form of progress payments, the terms of the subcontract or interdivisional order concerning progress payments -
 - (i) Are substantially similar to the terms of the clause for any subcontractor that is a large business concern, or that clause with its Alternate I for any subcontractor that is a small business concern;
 - (ii) Are at least as favorable to the Government as the terms of this clause;
 - (iii) Are not more favorable to the subcontractor or division than the terms of this clause are to the Contractor;
 - (iv) Are in conformance with the requirements of FAR 32.504(e); and

| | | |
|---|--|----------------------|
| CONTINUATION SHEET | Reference No. of Document Being Continued PIIN/SIIN W52H09-04-C-0088 MOD/AMD | Page 12 of 17 |
| Name of Offeror or Contractor: ALLIANT TECHSYSTEMS INC | | |

(v) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Government's right to require delivery of the property to the Government if (A) the Contractor defaults or (B) the subcontractor becomes bankrupt or insolvent.

(4) If the financing payments are in the form of performance-based payments, the terms of the subcontract or interdivisional order concerning payments -

(i) Are substantially similar to the Performance-Based Payments clause at FAR 52.232-32 and meet the criteria for, and definition of, performance-based payments in FAR Part 32;

(ii) Are in conformance with the requirements of FAR 32.504(f); and

(iii) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Government's right to require delivery of the property to the Government if - (A) The Contractor defaults; or (B) The subcontractor becomes bankrupt or insolvent.

(5) If the financing payments are in the form of commercial item financing payments, the terms of the subcontract or interdivisional order concerning payments -

(i) Are constructed in accordance with FAR 32.206(c) and included in a subcontract for a commercial item purchase that meets the definition and standards for acquisition of commercial items in FAR Part 2 and 12;

(ii) Are in conformance with the requirements of FAR 32.504(g); and

(iii) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Government's right to require delivery of the property to the Government if - (A) The Contractor defaults; or (B) The subcontractor becomes bankrupt or insolvent.

(6) If financing is in the form of progress payments, the progress payment rate in the subcontract is the customary rate used by the contracting agency, depending on whether the subcontractor is or is not a small business concern.

(7) Concerning any proceeds received by the Government for property to which title has vested in the Government under the subcontract terms, the parties agree that the proceeds shall be applied to reducing any unliquidated financing payments by the Government to the Contractor under this contract.

(8) If no unliquidated financing payments to the Contractor remain, but there are unliquidated financing payments that the Contractor's has made to any subcontractor, the Contractor shall be subrogated to all the rights the Government obtained through the terms required by this clause to be in any subcontract, as if all such rights had been assigned and transferred to the Contractor.

(9) To facilitate small business participation in subcontracting under this contract, the Contractor shall provide financing payments to small business concerns, in conformity with the standards for customary contract financing payments stated in Subpart 32.113. The Contractor shall not consider the need for such financing payments as a handicap or adverse factor in the award of subcontracts.

(k) Limitations on Undefinitized Contract Actions. Notwithstanding any other progress payment provision in this contract, progress payments may not exceed eighty percent (80%) of costs incurred on work accomplished under undefinitized contract actions. A "contract action" is any action resulting in a contract, as defined in Subpart 2.1, including contract modifications for additional supplies or services, but not including contract modifications that are within the scope and under the terms of the contract, such as contract modifications issued pursuant to the Changes clause, or funding and other administrative changes. This limitation shall apply to the costs incurred, as computed in accordance with paragraph (a) of this clause, and shall remain in effect until the contract action is definitized. Costs incurred which are subject to this limitation shall be segregated on contractor progress payment requests and invoices from those costs eligible for higher progress payment rates. For purposes of progress payment liquidation, as described in paragraph (b) of this clause, progress payments for undefinitized contract actions shall be liquidated at eighty percent (80%) of the amount invoiced for work performed under the undefinitized contract action as long as the contract action remains undefinitized. The amount of unliquidated progress payments for undefinitized contract actions shall not exceed eighty percent (80%) of the maximum liability of the Government under the undefinitized contract action or such lower limit specified elsewhere in the contract. Separate limits may be specified for separate actions.

(l) Due date. The designated payment office will make progress payments on the 30TH day after the designated billing office receives a proper progress payment request. In the event that the Government requires an audit or other review of a specific progress payment request to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make payment by the specified due date. Progress payments are considered contract financing and are not subject to the interest penalty provision of the Prompt Payment Act.

| | | |
|---------------------------|--|----------------------|
| CONTINUATION SHEET | Reference No. of Document Being Continued PIIN/SIIN W52H09-04-C-0088 MOD/AMD | Page 13 of 17 |
|---------------------------|--|----------------------|

Name of Offeror or Contractor: ALLIANT TECHSYSTEMS INC

(m) Progress payments under indefinite-delivery contracts. The contractor shall account for and submit progress payment requests under individual orders as if the order constituted a separate contract, unless otherwise specified in this contract.

(End of Clause)

(IF6191)

| | | | |
|-----|--------------|-------------------------|----------|
| I-8 | 252.217-7027 | CONTRACT DEFINITIZATION | OCT/1998 |
| | DFARS | | |

(a) An Undefined Contractual Action (UCA)_is contemplated. The contractor agrees to begin promptly negotiating with the Contracting Officer the terms of a definitive contract that will include (1) all clauses required by the Federal Acquisition Regulation (FAR) on the date of execution of the underfinitized contract action, (2) all clauses required by law on the date of execution of the definitive contract action, and (3) any other mutually agreeable clauses, terms, and conditions. The Contractor agrees to submit a firm fixed price proposal and cost or pricing data supporting its proposal.

(b) The schedule for definitizing this contract is as follows:

| | |
|--|----------------|
| Receipt of Qualifying Proposal | 23MAR2004 |
| Projected Award date of UCA | 26MAR2004 |
| Projected Date for Completion of Audit | 06MAY004 |
| Projected Date to Begin Alpha Effort | 13MAY2004 |
| Projected Completion Date of Alpha Effort | 14JUN2004 |
| Estimated Date of Cotntract Definitization | 12JUL2004_____ |

(c) If agreement on a definitive contract action to supersede this undefinitized contract action is not reached by the target date in paragraph (b) of this clause, or within any extension of it granted by the Contracting Officer, the Contracting Officer may, with the approval of the head of the contracting activity, determine a reasonable price or fee in accordance with subpart 15.4 and part 31 of the FAR, subject to Contractor appeal as provided in the Disputes clause. In any event, the Contractor shall proceed with completion of the contract, subject only to the Limitation of Government Liability clause.

(1) After the Contracting Officer's determination of price or fee, the contract shall be governed by--

(i) All clauses required by the FAR on the date of execution of this underfinitized contract action for either fixed-price or cost-reimbursement contracts, as determined by the Contracting Officer under this paragraph (c);

(ii) All clauses required by law as of the date of the Contracting Officer's determination; and

(iii) Any other clauses, terms, and conditions mutually agreed upon.

(2) To the extent consistent with paragraph (c)(1) of this clause, all clauses, terms, and conditions included in this undefinitized contract action shall continue in effect, except those that by their nature apply only to an undefinitized contract action.

(d) The definitive contract resulting from this undefinitized contract action will include negotiated firm fixed price(s), in no event to exceed, by CLIN:

| | |
|-------------|-------------|
| CLIN 0007AA | \$ 826,500 |
| CLIN 0008AA | \$1,975,770 |
| CLIN 0009AA | \$1,486,830 |
| CLIN 0010AA | \$ 60,900 |

End of clause

(IA6715)

| | | |
|---|--|----------------------|
| CONTINUATION SHEET | Reference No. of Document Being Continued PIIN/SIIN W52H09-04-C-0088 MOD/AMD | Page 14 of 17 |
| Name of Offeror or Contractor: ALLIANT TECHSYSTEMS INC | | |

a. Government-furnished property. (1) The Government shall deliver to the Contractor, for use in connection with and under the terms of this contract, the Government-furnished property described in the Schedule or specifications together with any related data and information that the Contractor may request and is reasonably required for the intended use of the property (hereinafter referred to as "Government-furnished property").

(2) The delivery or performance dates for this contract are based upon the expectation that Government-furnished property suitable for use (except for property furnished "as is" will be delivered to the Contractor at the times stated in the Schedule or, if not so stated, in sufficient time to enable the Contractor to meet the contract's delivery or performance dates.

(3) If Government-furnished property is received by the Contractor in a condition not suitable for the intended use, the Contractor shall, upon receipt of it, notify the Contracting Officer, detailing the facts, and, as directed by the Contracting Officer and at Government expense, either repair, modify, return, or otherwise dispose of the property. After completing the directed action and upon written request of the Contractor, the Contracting Officer shall make an equitable adjustment as provided in paragraph (h) of this clause.

(4) If Government-furnished property is not delivered to the Contractor by the required time, the Contracting Officer shall, upon the Contractor's timely written request, make a determination of the delay, if any, caused the Contractor and shall make an equitable adjustment in accordance with paragraph (h) of this clause.

b. Changes in Government-furnished property. (1) The Contracting Officer may, by written notice, (i) decrease the Government-furnished property provided or to be provided under this contract, or (ii) substitute other Government-furnished property for the property to be provided by the Government, or to be acquired by the Contractor for the Government, under this contract. The Contractor shall promptly take such action as the Contracting Officer may direct regarding the removal, shipment, or disposal of the property covered by such notice.

(2) Upon the Contractor's written request, the Contracting Officer shall make an equitable adjustment to the contract in accordance with paragraph (h) of this clause, if the Government has agreed in the Schedule to make the property available for performing this contract and there is any-

- (i) Decrease or substitution in this property pursuant to subparagraph (b)(1) above; or
- (ii) Withdrawal of authority to use this property, if provided under any other contract or lease.

c. Title in Government property. (1) The Government shall retain title to all Government-furnished property.

(2) All Government-furnished property and all property acquired by the Contractor, title to which vests in the Government under this paragraph (collectively referred to as "Government property"), are subject to the provisions of this clause. Title to Government property shall not be affected by its incorporation into or attachment to any property not owned by the Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.

(3) Title to each item of facilities and special test equipment acquired by the Contractor for the Government under this contract shall pass to and vest in the Government when its use in performing this contract commences or when the Government has paid for it, whichever is earlier, whether or not title previously vested in the Government.

(4) If this contract contains a provision directing the Contractor to purchase material for which the Government will reimburse the Contractor as a direct item of cost under this contract -

- (i) Title to material purchased from a vendor shall pass to and vest in the Government upon the vendor's delivery of such material; and
- (ii) Title to all other material shall pass to and vest in the Government upon -
 - (A) Issuance of the material for use in contract performance;
 - (B) Commencement of processing of the material or its use in contract performance; or
 - (C) Reimbursement of the cost of the material by the Government, whichever occurs first.

d. Use of Government property. The Government property shall be used only for performing this contract, unless otherwise provided in this contract or approved by the Contracting Officer.

e. Property administration. (1) The Contractor shall be responsible and accountable for all Government property provided under this contract and shall comply with Federal Acquisition Regulation (FAR) Subpart 45.5, as in effect on the date of this contract.

(2) The Contractor shall establish and maintain a program for the use, maintenance, repair, protection, and preservation of Government property in accordance with sound industrial practice and the applicable provisions of Subpart 45.5 of the FAR.

| | | |
|---|---|----------------------|
| CONTINUATION SHEET | Reference No. of Document Being Continued PIIN/SIIN W52H09-04-C-0088 MOD/AMD | Page 15 of 17 |
| Name of Offeror or Contractor: ALLIANT TECHSYSTEMS INC | | |

(3) If damage occurs to Government property, the risk of which has been assumed by the Government under this contract, the Government shall replace the items or the Contractor shall make such repairs as the Government directs. However, if the Contractor cannot effect such repairs within the time required, the Contractor shall dispose of the property as directed by the Contracting Officer. When any property for which the Government is responsible is replaced or repaired, the Contracting Officer shall make an equitable adjustment in accordance with paragraph (h) of this clause.

(4) The Contractor represents that the contract price does not include any amount for repairs or replacement for which the Government is responsible. Repair or replacement of property for which the Contractor is responsible shall be accomplished by the Contractor at its own expense.

f. Access. The Government and all its designees shall have access at all reasonable times to the premises in which any Government property is located for the purpose of inspecting the Government property.

g. Risk of loss. Unless otherwise provided in this contract, the Contractor assume the risk of, and shall be responsible for, any loss or destruction of, or damage to, Government property upon its delivery to the Contractor or upon passage of title to the Government under paragraph (c) of this clause. However, the Contractor is not responsible for reasonable wear and tear to Government property or for Government property properly consumed in performing this contract.

h. Equitable adjustment. When this clause specifies an equitable adjustment, it shall be made to any affected contract provision in accordance with the procedures of the Change clause. When appropriate, the Contracting Officer may initiate an equitable adjustment in favor of the Government. The right to an equitable adjustment shall be the Contractor's exclusive remedy. The Government shall not be liable to suit for breach of contract for -

- (1) Any delay in delivery of Government-furnished property;
- (2) Delivery of Government-furnished property in a condition not suitable for its intended use;
- (3) A decrease in or substitution of Government-furnished property; or
- (4) Failure to repair or replace Government property for which the Government is responsible.

i. Final accounting and disposition of Government property. Upon completing this contract, or at such earlier dates as may be fixed by the Contracting Officer, the Contractor shall submit, in a form acceptable to the Contracting Officer, inventory schedules covering all items of Government property (including any resulting scrap) not consumed in performing this contract or delivered to the Government. The Contractor shall prepare for shipment, deliver f.o.b. origin, or dispose of the Government property as may be directed or authorized by the Contracting Officer. The net proceeds of any such disposal shall be credited to the contract price or shall be paid to the Government as the Contracting Officer directs.

j. Abandonment and restoration of Contractor's premises. Unless otherwise provided herein, the Government -

(1) May abandon any Government property in place, at which time all obligations of the Government regarding such abandoned property shall cease; and

(2) Has no obligation to restore or rehabilitate the Contractor's premises under any circumstances (e.g., abandonment, disposition upon completion of need, or upon contract completion). However, if the Government-furnished property (listed in the Schedule or specifications) is withdrawn or is unsuitable for the intended use, or if other Government property is substituted, then the equitable adjustment under paragraph (h) of this clause may properly include restoration or rehabilitation costs.

k. Communications. All communications under this clause shall be in writing.

l. Overseas contracts. If this contract is to be performed outside of the United States and its outlying areas, the words "Government" and "Government-furnished" (wherever they appear in this clause) shall be construed as "United States Government" and "United States Government-furnished," respectively.

(End of clause)

(IF7117)

a. Definition. "Special tooling" means jigs, dies, fixtures, molds, patterns, taps, gauges, other equipment and manufacturing aids,

| | | |
|---|--|----------------------|
| CONTINUATION SHEET | Reference No. of Document Being Continued PIIN/SIIN W52H09-04-C-0088 MOD/AMD | Page 16 of 17 |
| Name of Offeror or Contractor: ALLIANT TECHSYSTEMS INC | | |

all components of these items, and replacement of these items, that are of such a specialized nature that without substantial modification or alteration their use is limited to the development or production of particular supplies or parts thereof or performing particular services. It does not include material, special test equipment, facilities (except foundations and similar improvements necessary for installing special tooling), general or special machine tools, or similar capital items. Special tooling, for the purpose of this clause, does not include any item acquired by the Contractor before the effective date of this contract, or replacement of such items, whether or not altered or adapted for use in performing this contract, or items specifically excluded by the Schedule of this contract.

b. Use of special tooling. The Contractor agrees to use the special tooling only in performing this contract or as otherwise approved by the Contracting Officer.

c. Initial list of special tooling. If the Contracting Officer so requests, the Contractor shall furnish the Government an initial list of all special tooling acquired or manufactured by the Contractor for performing this contract (but see paragraph (d) for tooling that has become obsolete). The list shall specify the nomenclature, tool number, related product part number (or service performed), and unit or group cost of the special tooling. The list shall be furnished within 60 days after delivery of the first production end item under this contract unless a later date is prescribed.

d. Changes in design. Changes in the design or specifications of the end items being produced under this contract may affect the interchangeability of end item parts. In such an event, unless otherwise agreed to by the Contracting Officer, the Contractor shall notify the Contracting Officer of any part not interchangeable with a new or superseding part. Pending disposition instructions, such usable tooling shall be retained and maintained by the Contractor.

e. Contractor's offer to retain special tooling. The Contractor may indicate a desire to retain certain items of special tooling at the time it furnishes a list or notification pursuant to paragraphs (c), (d), or (h) of this clause. The Contractor shall furnish a written offer designating those items that it wishes to retain by specifically listing the items or by listing the particular products, parts, or services for which the items were used or designed. The offer shall be made on one of the following bases:

(1) An amount shall be offered for retention of the items free of any Government interest. This amount should ordinarily not be less than the current fair value of the items, considering among other things, the value of the items to the Contractor for use in future work.

(2) Retention may be requested for a limited period of time and under terms as may be agreed to by the Government and the Contractor. This temporary retention is subject to final disposition pursuant to paragraph (i) of this clause.

f. Property control records. The Contractor shall maintain adequate property control records of all special tooling in accordance with its normal industrial practice. The records shall be made available for Government inspection at all reasonable times. To the extent practicable, the Contractor shall identify all special tooling subject to this clause with an appropriate stamp, tag, or other mark.

g. Maintenance. The Contractor shall take all reasonable steps necessary to maintain the identity and existing condition of usable items of special tooling from the date such items are no longer needed by the Contractor until final disposition under paragraph (i) of this clause. These maintenance requirements do not apply to those items designated by the Contracting Officer for disposal as scrap or identified as of no further interest to the Government under paragraph (i)(4) of this clause. The Contractor is not required to keep unneeded items of special tooling in place.

h. Final list of special tooling. When all or a substantial part of the work under this contract is completed or terminated, the Contractor shall furnish the Contracting Officer a final list of special tooling with the same information as required for the initial list under paragraph (c) of this clause. The final list shall include all items not previously reported under paragraph (c). The Contracting Officer may provide a written waiver of this requirement or grant an extension. The requirement may be extended until the completion of this contract together with the completion of other contracts and subcontracts authorizing the use of the special tooling under paragraph (b) of this clause. Special tooling that has become obsolete as a result of changes in design or specification need not be reported except as provided for in paragraph (d).

i. Disposition instructions. The Contracting Officer shall provide the Contractor with disposition instructions for special tooling identified in a list or notice submitted under paragraphs (c), (d), or (h) of this clause. The instructions shall be provided within 90 days of receipt of the list or notice, unless the period is extended by mutual agreement. The Contracting Officer may direct disposition by any of the methods listed in subparagraphs (1) through (4) of this paragraph, or a combination of such methods. Any failure of the Contracting Officer to provide specific instructions within the 90 day period shall be construed as direction under subparagraph (i)(3).

(1) The Contracting Officer shall give the Contractor a list specifying the products, parts, or services for which the Government may require special tooling and request the Contractor to transfer title (to the extent not previously transferred under any other clause of this contract) and deliver to the Government all usable items of special tooling that were designed for or used in the production or performance of such products, parts or services and that were on hand when such production or performance ceased.

(2) The Contracting Officer may accept or reject any offer made by the Contractor under paragraph (e) of this clause to retain

| | | |
|--|---|---|
| <p style="text-align: center;">CONTINUATION SHEET</p> | <p style="text-align: center;">Reference No. of Document Being Continued</p> <p style="text-align: center;">PIN/SIIN W52H09-04-C-0088 MOD/AMD</p> | <p style="text-align: center;">Page 17 of 17</p> |
|--|---|---|

Name of Offeror or Contractor: ALLIANT TECHSYSTEMS INC

items of special tooling or may request further negotiation of the offer. The Contractor agrees to enter into the negotiations in good faith. The net proceeds from the Contracting Officer's acceptance of the Contractor's retention offer shall either be deducted from amounts due the Contractor under this contract or shall be otherwise paid to the Government as directed by the Contracting Officer.

(3) The Contracting Officer may direct the Contractor to sell, or dispose of as scrap, for the account of the Government, any special tooling reported by the Contractor under this clause. The net proceeds of all sales shall either be deducted from amounts due the Contractor under this contract or shall be otherwise paid to the Government as directed by the Contracting Officer. To the extent that the Contractor incurs any costs occasioned by compliance with such directions, for which it is not otherwise compensated, the contract price shall be equitably adjusted in accordance with the Changes clause of this contract.

(4) The Contracting Officer may furnish the Contractor with a statement disclaiming further Government interest or rights in any of the special tooling listed.

j. Storage or shipment. The Contractor shall promptly transfer to the Government title to the special tooling specified by the Contracting Officer and arrange for either the shipment or the storage of such tooling in accordance with the final disposition instructions in subparagraph (i)(1) of this clause. Tooling to be shipped shall be properly packaged, packed, and marked in accordance with the directions of the Contracting Officer. Tooling to be stored shall be stored pursuant to a storage agreement between the Government and the Contractor, and as directed by the Contracting Officer. Tooling shipped or stored shall be accompanied by operation sheets or other appropriate data necessary to show the manufacturing operations or processes for which the items were used or designed. To the extent that the Contractor incurs costs for authorized storage or shipment under this paragraph and not otherwise compensated for, the contract price shall be equitable adjusted in accordance with the Changes clause of this contract.

k. Subcontract provisions. In order to perform this contract, the Contractor may place subcontracts (including purchase orders) involving the use of special tooling. If the full cost of the tooling is charged to those subcontracts, the Contractor agrees to include in the subcontracts appropriate provisions to obtain Government rights comparable to the rights of the Government under this clause (unless the Contractor and the Contracting Officer agree that such rights are not of substantial interest to the Government). The Contractor agrees to exercise such rights for the benefit of the Government as directed by the Contracting Officer.

(End of clause)

(IF7110)